



DEPARTMENT OF ENERGY

Southwestern Power Administration

Integrated System, Sam Rayburn Dam, and Robert D. Willis Rate Schedules

AGENCY: Southwestern Power Administration, DOE.

ACTION: Notice of proposed rate schedules extension and opportunity for public review and comment.

SUMMARY: The Administrator, Southwestern Power Administration (Southwestern), is proposing a two-year extension to the currently approved rate schedules for the Integrated System, the Sam Rayburn Dam, and the Robert Douglas Willis Hydropower Project (Robert D. Willis) for the period of October 1, 2021 to September 30, 2023. Southwestern's current Integrated System rate schedules (P-13A, NFTS-13A, and EE-13), the Sam Rayburn Dam rate schedule (SRD-15), and the Robert D. Willis rate schedule (RDW-15), expire September 30, 2021.

DATES: The consultation and comment period will begin on [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] and will end on [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Written comments are due on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Comments should be submitted to Ms. Fritha Ohlson, Senior Vice President and Chief Operating Officer, Southwestern Power Administration, U.S. Department of Energy, One West Third Street, Tulsa, Oklahoma 74103.

FOR FURTHER INFORMATION CONTACT: Ms. Fritha Ohlson, Senior Vice President, Chief Operating Officer, Office of Corporate Operations, (918) 595-6684, fritha.ohlson@swpa.gov, or facsimile transmission (918) 595-6684.

SUPPLEMENTARY INFORMATION:

Originally established by Order 1865, Secretary of the Interior, dated August 31, 1943 and effective September 1, 1943 (8 FR 12142 (Sept. 3, 1943)), Southwestern is authorized by Congress to market the hydroelectric power and energy from Federal dams controlled by the U.S. Army Corps of Engineers (Corps), pursuant to Section 302(a)(1) of the Department of Energy Organization Act (42 U.S.C. 7152(a)(1)), Section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), and Public Law 95-456 (16 U.S.C. 825s-3). Guidelines for preparation of power repayment studies are included in Department of Energy (DOE) Order No. RA 6120.2 (Sept. 20, 1979), entitled *Power Marketing Administration Financial Reporting*. Procedures for public participation in power and transmission rate adjustments of the Power Marketing Administrations are found at title 10, part 903, subpart A of the Code of Federal Regulations (10 CFR part 903). Procedures for the confirmation, approval, and extension of rates for the Power Marketing Administrations are found at title 18, part 300, subpart L of the Code of Federal Regulations (18 CFR part 300).

Southwestern markets power from 24 multi-purpose reservoir projects with hydroelectric power facilities constructed and operated by the Corps. These projects are located in Arkansas, Missouri, Oklahoma, and Texas. Southwestern's marketing area includes these states, plus Kansas and Louisiana. The costs associated with 22 of these 24 hydropower projects are repaid with revenues received under Southwestern's Integrated System rates. These rates also cover the costs of Southwestern's transmission facilities that consist of 1,380 miles of high voltage transmission lines, 27 substations, and 46 microwave and VHF radio sites. Additionally, Southwestern markets power from two hydropower projects in southeastern Texas, Sam Rayburn Dam and Robert D. Willis. These projects are isolated hydrologically, electrically, and financially from the Integrated System and are repaid via separate rate schedules.

On September 30, 2013, in Rate Order No. SWPA-66, the Deputy Secretary of Energy placed into effect Southwestern's Integrated System rate schedules (P-13, NFTS-13, and EE-13) on an interim basis for the period October 1, 2013 to September 30, 2017. The Federal Energy

Regulatory Commission (FERC) confirmed and approved Southwestern's interim Integrated System rates on a final basis on January 9, 2014 for a period ending September 30, 2017.

Southwestern re-designated Integrated System rate schedule "NFTS-13" as "NFTS-13A" with no revenue adjustment. In Rate Order No. SWPA-71, the Deputy Secretary of Energy placed into effect Southwestern's rate schedule NFTS-13A on an interim basis beginning January 1, 2017. FERC confirmed and approved NFTS-13A on a final basis on March 9, 2017.

On September 13, 2017, in Rate Order No. SWPA-72, the Deputy Secretary of Energy extended all of Southwestern's Integrated System rate schedules (P-13, NTFS-13A, and EE-13) for two years, for the period of October 1, 2017 through September 30, 2019.

Southwestern re-designated Integrated System rate schedule "P-13" as "P-13A" with no revenue adjustment. In Rate Order No. SWPA-73, the Assistant Secretary for Electricity placed into effect Southwestern's rate schedule for P-13A on an interim basis beginning July 1, 2019. FERC confirmed and approved P-13A on a final basis on August 29, 2019.

On September 22, 2019, in Rate Order No. SWPA-74, the Assistant Secretary for Electricity extended all of Southwestern's Integrated System rate schedules (P-13A, NFTS-13A, EE-13) for two years, for the period of October 1, 2019 through September 30, 2021.

On December 17, 2015, in Rate Order No. SWPA-69, the Deputy Secretary of Energy placed into effect the current Sam Rayburn Dam rate schedule (SRD-15) on an interim basis for the period January 1, 2016 to September 30, 2019. FERC confirmed and approved SRD-15 on a final basis on June 30, 2016 for a period ending September 30, 2019. On September 22, 2019, in Rate Order No. SWPA-75, the Assistant Secretary for Electricity approved a two-year extension to SRD-15 on an interim basis through September 30, 2021.

On December 17, 2015, in Rate Order No. SWPA-70, the Deputy Secretary of Energy placed into effect the current Robert D. Willis Dam rate schedule (RDW-15) on an interim basis for the period January 1, 2016 to September 30, 2019. FERC confirmed and approved the rate on a final basis on June 15, 2016 for a period ending September 30, 2019. On September 22,

2019, in Rate Order No. SWPA-76, the Assistant Secretary for Electricity approved a two-year extension to RDW-15 on an interim basis through September 30, 2021.

Decision Rationale

Southwestern is proposing an extension of the above current rate schedules, for the period October 1, 2021 through September 30, 2023. The Administrator will review and consider all timely written comments at the end of the public review and comment period and adjust the rate schedules extension proposal as appropriate.

Southwestern's current Integrated System rate schedules (P-13A, NFTS-13A, and EE-13) are based on its 2013 Power Repayment Study (PRS). Southwestern has conducted PRSs annually thereafter through 2021. Each PRS indicated a need for a revenue adjustment that fell within a plus or minus two percent range of the revenue estimate based on the current rate schedules. It is Southwestern's practice for the Administrator to defer, on a case-by-case basis, revenue adjustments for the Integrated System within plus or minus two percent from the revenue estimate based on the current rate schedules. The deferral of a revenue adjustment (rate change) provides for rate stability and savings on the administrative cost of implementation. Thus, the Administrator has deferred revenue adjustments annually through 2021.

Southwestern's current rate schedules for the Sam Rayburn Dam and Robert D. Willis isolated rate systems, SRD-15 and RDW-15, are based on their respective 2015 PRSs. Each subsequent annual PRS, including the 2021 PRS, indicated the need for a revenue adjustment within a plus or minus five percent range of the current revenue estimate. It is Southwestern's practice for the Administrator to defer, on a case-by-case basis, revenue adjustments for isolated rate systems that are within plus or minus five percent of the revenue estimated from the current rate schedule. Therefore, the Administrator deferred revenue adjustments annually for Sam Rayburn Dam and Robert D. Willis through 2021.

Legal Authority

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to Southwestern's

Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, or to remand or disapprove such rates, to FERC. By Delegation Order No. S1-DEL-S4-2021, effective February 25, 2021, the Acting Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Science (and Energy). By Redelegation Order No. S4-DEL-OE1-2021, effective March 25, 2021, the Acting Under Secretary for Science (and Energy) redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity. And by Redelegation Order No. 00-002.10-04, effective July 8, 2020, the Assistant Secretary for Electricity further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Administrator, Southwestern Power Administration. This redelegation order, despite predating the February 2021 and March 2021 redelegations, remains valid. By these delegations, and in accordance with 10 CFR 903.22(h) and 10 CFR 903.23(a), as amended (84 FR 5347, 5350 (Feb. 21, 2019)), Southwestern's Administrator may approve and extend, on an interim basis, rates previously confirmed and approved by FERC beyond the period specified by FERC.

Environmental Impact

Southwestern previously determined that the rate change actions, placed into effect on October 1, 2013 for the Integrated System and on January 1, 2016 for Sam Rayburn Dam and Robert D. Willis, fit within the class of categorically excluded actions as listed in Appendix B to Subpart D of 10 CFR part 1021, DOE's Implementing Procedures and Guidelines of the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321-4347): Categorical exclusions applicable to B4.3: Electric power marketing rate changes, which does not require preparation of either an environmental impact statement (EIS) or an environmental assessment (EA). On May 27, 2021, Southwestern determined that categorical exclusion B4.3 applies to the current action.

Determination Under Executive Order 12866

Southwestern has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Signing Authority

This document of the Department of Energy was signed on June 4, 2021, by Mike Wech, Administrator for Southwestern Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of DOE. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on June 9, 2021.

Treena V. Garrett,
Federal Register Liaison Officer,
U.S. Department of Energy.